

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

MARBLEGATE ASSET MANAGEMENT, LLC,
MARBLEGATE SPECIAL OPPORTUNITIES
MASTER FUND, L.P., MAGNOLIA ROAD
CAPITAL LP, and MAGNOLIA ROAD GLOBAL
CREDIT MASTER FUND L.P.,

Plaintiffs,

-against-

EDUCATION MANAGEMENT CORPORATION,
EDUCATION MANAGEMENT LLC, and
EDUCATION MANAGEMENT FINANCE CORP.,

Defendants.

Civil Action No. 14-8584 (KPF)

**DECLARATION OF LUCY C. MALCOLM IN SUPPORT OF PLAINTIFFS' REPLY
MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION FOR A
TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION**

I, Lucy C. Malcolm, declare as follows:

1. I am an attorney with the law firm of Akin Gump Strauss Hauer & Feld LLP, counsel for Plaintiffs Marblegate Asset Management, LLC, Marblegate Special Opportunities Master Fund, L.P., Magnolia Road Capital LP, and Magnolia Road Global Credit Master Fund L.P. (collectively, the "Plaintiffs") in the above-referenced matter.

2. I respectfully submit this declaration to provide the Court with certain documents that are referenced in the Plaintiffs' Reply Memorandum in Support of the Plaintiffs' Motion for a Temporary Restraining Order and Preliminary Injunction.

3. Attached hereto as Exhibit A is the Declaration of Direct Testimony of Andrew Milgram, dated November 13, 2014.
4. Attached hereto as Exhibit B is the Amended Declaration of Direct Testimony of Jame Donath, dated November 14, 2014.
5. Attached hereto as Exhibit C is the Pledge and Security Agreement by and between Education Management LLC, Education Management Holdings LLC, and Education Management Finance Corp., among others, dated June 1, 2006.
6. Attached hereto as Exhibit D is an email from Nikhil Srivastava to KAM Legal & Compliance and KAM Tax, dated June 4, 2014, and attachments. This document has also been submitted as Plaintiffs' Exhibit 127.
7. Attached hereto as Exhibit E is the transcript of the Company's May 1, 2014 Earnings Call. This document has also been submitted as Plaintiffs' Exhibit 203.
8. Attached hereto as Exhibit F is an email from Richard Kearney to Andrew Milgram, dated May 15, 2014. This document has also been submitted as Plaintiffs' Exhibit 92.
9. Attached hereto as Exhibit G is an email from Mick Beekhuizen to Ed West, dated August 26, 2014. This document has also been submitted as Plaintiffs' Exhibit 223.
10. Attached hereto as Exhibit H is an email from Michelle Luchejko to Mick Beekhuizen, Stephen Goldstein, Stephen Hannan, Ryan White, and Brett Schlesinger regarding "Project Steel – Holdout Debt Service Analysis," dated October 3, 2014. This document has also been submitted as Plaintiffs' Exhibit 228.
11. Attached hereto as Exhibit I is the Amended Declaration of Christopher Kearns, dated November 9, 2014. This document has also been submitted as Plaintiffs' Exhibit 59.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: November 16, 2014
New York, New York



Lucy C. Malcolm, Esq.